

# FISCAL NOTE

**Bill #:** HB0251

**Title:** Revise state sick leave policy

**Primary Sponsor:** Jim Keane

**Status:** As Introduced

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Sponsor signature	Date	Chuck Swys good, Budget Director	Date
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## Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<b>Expenditures:</b>		
General Fund	1,039,655	1,039,655
State Special Revenue	1,500,657	1,500,657
Federal Special Revenue	505,660	505,660
Other (Proprietary)	301,280	301,280
Other (Expendable Trust)	2,866	2,866
Other (Pension Trust)	13,179	13,179
Other (Current Unrestricted)-University	676,200	676,200
Other (Auxiliary/Restricted)-University	205,200	205,200
<b>Net Impact on General Fund Balance:</b>	<b>(\$1,039,655)</b>	<b>(\$1,039,655)</b>

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<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

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## Fiscal Analysis

### ASSUMPTIONS:

#### State of Montana

1. This fiscal note is based on the current sick leave liability of \$18,214,247 plus benefits of \$3,223,922 computed at 17.7% for a total current liability of \$21,438,169.

2. \$5,596,097 of the current liability is in the 0-15 years of service category. There will be no additional cost in this category.
3. \$2,848,117 of the current liability is in the 15-20 years of service category. The additional cost will be \$2,848,117 plus benefits.
4. \$4,424,169 of the current liability is in the 20-25 years of service category. The additional cost will be \$8,848,338 plus benefits.
5. \$5,345,864 of the current liability is in the 25+ years of service category. The additional cost will be \$16,037,591 plus benefits.
6. It is assumed that there will be 10% turnover in each years of service category.
7. Additional costs are prorated to the fund types based on The Comprehensive Annual Financial Report FYE amounts in each fund type.

**University System**

8. For the most current year available, the estimate for sick leave payouts by funding source is \$1,127,000 from Current Unrestricted, \$342,000 from Auxiliary /Restricted Funds, and \$165,000 from the General Fund for a total of \$1,634,000 under current law.
9. Based on faculty longevity, there could be an increase to annual costs of between 60% and 80%. For purposes of this fiscal note, a 60% increase was used to estimate the impact.
10. Additional appropriations would be needed to fund the increased payouts provided for in this bill.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<b>All Agencies</b>		
<u>Expenditures:</u>		
Personal Services-Benefits	<b>\$3,264,297</b>	<b>\$3,264,297</b>
<u>Funding:</u>		
General Fund (01)	940,655	940,655
State Special Revenue (02)	1,500,657	1,500,657
Federal Special Revenue (03)	505,660	505,660
Other (Proprietary)	301,280	301,280
Other (Expendable Trust)	2,866	2,866
Other (Pension Trust)	<u>13,179</u>	<u>13,179</u>
TOTAL	<b>\$3,264,297</b>	<b>\$3,264,297</b>

**University System**

<u>Expenditures:</u>		
Personnel Services-Benefits	<b>\$980,400</b>	<b>\$980,400</b>
<u>Funding:</u>		
General Fund (01)	99,000	99,000
Other – Current Unrestricted	676,200	676,200
Other – Auxiliary/Restricted	<u>205,200</u>	<u>205,200</u>
TOTAL	<b>\$980,400</b>	<b>\$980,400</b>

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(1,039,655)	(1,039,655)
State Special Revenue (02)	(1,500,657)	(1,500,657)
Federal Special Revenue (03)	(505,660)	(505,660)
Other (Proprietary)	(301,280)	(301,280)
Other (Expendable Trust)	(2,866)	(2,866)
Other (Pension Trust)	(13,179)	(13,179)
Other – Current Unrestricted	(676,200)	(676,200)
Other – Auxiliary/Restricted	(205,200)	(205,200)